## **Income Tax - Gross Conservation Easement Credit – Fiscal Year Taxpayer (2003 Credit Computation)**

A qualified pass-through entity donated a conservation easement worth \$500,000 in January 2003. The entity's tax year was July 1, 2002 through June 30, 2003. The donation qualifies for the gross conservation easement income tax credit.

- Is the credit claimed limited to \$100,000 because the pass-through entity's tax year in which the donation was made began prior to January 1, 2003?
- Is the credit \$260,000 because the donation occurred after January 1, 2003 and the credit will be passed to members whose tax years are calendar year 2003?

The gross conservation easement credit passed through to the members of the entity is \$100,000. The pass-through entity is the taxpayer that earns the credit and the amount is limited to \$100,000 by \$39-22-522(4), C.R.S. because the taxpayer's tax year began prior to January 1, 2003.